



**COUNTY OF SAN LUIS OBISPO  
DEPARTMENT OF PLANNING AND BUILDING  
STAFF REPORT**

**Tentative Notice of Action**

*Promoting the wise use of land  
Helping build great communities*

<b>MEETING DATE</b> April 17, 2015 <b>EFFECTIVE DATE</b> May 1, 2015	<b>CONTACT/PHONE</b> Holly Phipps (805) 781-1162	<b>APPLICANT</b> Willow Creek NewCo, LLC	<b>FILE NO.</b> DRC2013-00028
<b>SUBJECT</b> A request by Willow Creek NewCo, LLC for a Minor Use Permit to allow for the phased expansion of an existing agricultural processing facility (olive oil and wine). Construction is proposed to include demolition and replacement of an existing 6,820 square foot (sf) barn and two new buildings (2,600 sf and 3,000 sf) that will include processing areas, tasting room, retail sales, commercial kitchen, office, and storage. The project also includes a request for 25 temporary events annually with no more than 200 guests per event and to allow for the processing of off-site olives. The applicant is requesting modifications to ordinance standards to allow adjustments to the required setbacks, and an increase to the limits of retail sales area. The project will result in the disturbance of approximately 3.5 acres on a 120 acre parcel. The project will utilize portions of the existing access and infrastructure. The project is located on the east side of Vineyard Road, approximately 1 mile south of Adelaida Road (8530 Vineyard Drive), approximately 7.5 miles west of the community of Templeton, in the Adelaida Sub planning area of the North County Planning Area.			
<b>RECOMMENDED ACTION</b> 1. Adopt the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq. 2. Approve Minor Use Permit DRC2013-00028 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
<b>ENVIRONMENTAL DETERMINATION</b> The Environmental Coordinator, after completion of the initial study, finds that there is no substantial evidence that the project may have a significant effect on the environment, and the preparation of an Environmental Impact Report is not necessary. Therefore, a Mitigated Negative Declaration (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) has been issued on November 26, 2014 for this project. Mitigation measures are proposed to address aesthetics, biological resources, geology and soils, hazards/hazardous materials, public services/utilities and water/hydrology and are included as conditions of approval.			
<b>LAND USE CATEGORY</b> Agriculture	<b>COMBINING DESIGNATION</b> None	<b>ASSESSOR PARCEL NUMBER</b> 014-331-073	<b>SUPERVISOR DISTRICT(S)</b> 1
<b>PLANNING AREA STANDARDS:</b> Light and Glare			
<b>LAND USE ORDINANCE STANDARDS:</b> Section 22.30.070.2 Agricultural Processing Uses, Olive Oil Production; Section 22.62.050 Minor Use Permit Approval; Section 22.10.090 Heights; Chapter 22.18 Parking and loading; Chapter 22.20 Sign Ordinance; Section 22.10.180 Water quality, Section 22.10.120 Noise Standards; Section 22.30.075 Agricultural Retail Sales – Farm Stands; Temporary Events. Does the project conform to the Land Use Ordinance standards? Yes - see discussion			
<b>FINAL ACTION</b> This tentative decision will become final action on the project, effective on the 15 <sup>th</sup> day following the administrative hearing, or on May 1, 2015, if no hearing was requested unless this decision is changed as a result of information obtained at the hearing or is appealed.			
<b>ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING &amp; BUILDING AT:</b> COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242			

EXISTING USES: Agricultural uses, dry farm olives, olive oil processing and tasting room, three residences	
SURROUNDING LAND USE CATEGORIES AND USES: North: Agriculture; agricultural uses, residence South: Agriculture; agricultural uses, residence East: Agriculture; agricultural uses, residence West: Agriculture; agricultural uses, residence	
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Environmental Health, Agricultural Commissioner, CAL FIRE,, Regional Water Quality Control Board, Building Department, and Templeton Area Advisory Group	
TOPOGRAPHY: Gently sloping to moderately sloping	VEGETATION: Grasses , oak woodland, olive trees
PROPOSED SERVICES: Water supply: On-site well Sewage Disposal: Individual septic system Fire Protection: CAL FIRE	ACCEPTANCE DATE: April 22, 2014

## HISTORY

On January 2, 2015, this project was approved on the Consent Agenda at the Planning Department Hearing. The project was appealed to the Board of Supervisors noticed for a hearing on March 24, 2015. Planning had requested to continue this item to April 14, 2015.

Due to a procedural error that occurred prior the original Planning Department Hearing, Staff recommended on March 24, 2015, that the Board of Supervisors remand the project back to a Planning Department Hearing. On March 24, 2015, the Board of Supervisors took action and remanded this project to the next available Planning Department Hearing.

## PROJECT DESCRIPTION

The proposed project is the phased construction and expansion of an existing agricultural processing facility (olive oil and wine). The proposed project includes an agricultural processing operation which includes the ability to process up to 5,000 cases of wine annually and up to 200 tons of olives annually. The winery operation is proposed to include on-site crushing, fermentation, barrel aging, blending, bottling, and case good storage. The project will utilize portions of the existing access and infrastructure. The olive oil operation is proposing to produce olive oil without using solvents that will include on-site pressing of olives and bottling of olive oils. Olives will be processed from both on and off-site olives.

The project phasing includes:

### Phase I

- Construction of a 3,000 sf commercial agricultural production and storage building (wine and/or olive);
- 25 Temporary Events (upon completion of secondary access) with no more than 200 guests with amplified music.

### Phase II

- Demolition of an existing agricultural barn;
- Construction of a 6,820 sf building (Replacement Barn) to include:
  - 3,091 sf processing area and storage area;
  - 1,787 sf tasting room;
  - 627 sf storage room;
  - 1,315 sf commercial kitchen, and restrooms;

- Access, parking, and utility improvements;
- Conversion of the existing tasting room into offices when the new tasting is completed (in Phase III).

### Phase III

- The construction of a 2,600 sf building to include:
  - 1,900 sf tasting room and retail sales;
  - 460 sf storage, utility and circulation;
  - 140 sf office;
  - 100 sf for restrooms;
  - 1,540 sf outdoor terrace;
  - Conversion of existing tasting room (from Phase II) into storage.
- Processing of off-site olives.

## **ORDINANCE MODIFICATIONS**

The project includes several modifications to limitations on use and site design standards including:

1. Agricultural Retail Sales. The applicant is requesting a modification to the ordinance to allow 1,900 sf of retail sales area. Section 22.30.075.B.1 allows for modifications to the amount of floor area devoted to retail sales. A Minor Use Permit may be used to modify limitation on site design standards.
2. Agricultural Retail Sales Setbacks. The applicant is requesting a modification to the ordinance to allow a setback of 307 feet to the nearest residence outside of the ownership of the applicant (Phase II). Section 22.30.075.B.4. states Agricultural Retail Sales shall be located no closer than 400 feet to an existing residence outside the ownership of the applicant. If not possible to maintain 400 feet from a residence outside the ownership of the applicant, the setback can be modified through a Minor Use Permit.
3. Winery Setbacks. The applicant requests a setback modification (Section 22.30.070.D.2.d.1) of the minimum 200 foot setback for winery tasting room to property line requirement to allow 159 feet (side setback) for Phase II.

The applicant is requesting a setback modification that requires a winery tasting room to be located no closer than 400 feet to an existing residence outside the ownership of the applicant to allow 300 feet during Phase II. A modification is not required upon completion of Phase III (the detached tasting room would be located 486 feet from the nearest residence).

These setbacks can be modified through Minor Use Permit approval when a Conditional Use Permit is not otherwise required. Approval may be granted only after the Review Authority first determines that the request satisfies any of the following findings: (1) there is no feasible way to meet the required setbacks without creating environmental impacts or impacting prime agricultural land (SCS Class I, II and III); (2) the property fronts an arterial or collector street; (3) the setbacks are not practical or feasible due to existing topographic conditions or existing on-site vegetation or (4) is a legally constructed existing structure that was built prior to 1980 and it can be clearly demonstrated that the structure was intended for a legitimate agricultural or residential use. The proposed project meets number (2) because the project fronts a collector road, Vineyard Drive. Therefore, it appears that the project would qualify for an adjustment to the setback requirement and that granting the adjustment would not result in significant land use conflicts.

4. Temporary Events. The applicant is requesting 25 temporary events be held on-site per year and is requesting that the event program runs in perpetuity of the land. Events will be designed to showcase Pasolivo's products to help expand their direct to consumer

marketing plan. Examples of events include but not limited to: farming symposiums, culinary and art shows, wine and food symposiums, weddings, corporate dinners, and olive oil making seminars.

On October 6, 2009, the Board of Supervisors adopted a resolution interpreting the Temporary Events Ordinance (Section 22.30.610 of the Land Use Ordinance). The Board of Supervisors concluded that, while a Minor Use Permit can authorize multiple events, the life of the Minor Use Permit shall be defined as part of the approval. This means that temporary events may not be authorized in perpetuity through the granting of a single Minor Use Permit.

The Board of Supervisors did not establish criteria for how long the Minor Use Permit should be in effect. Instead, this decision has been made on a case-by-case basis by the Review Authority. Previous projects have received approval for a period of between 5 and 20 years.

Since the Board has adopted this interpretation, only four other temporary event authorizations have been granted. The following table compares four previously approved temporary event permits:

Project	<b>Lemm</b> DRC2007-00176	<b>Vogt</b> DRC2008-00047	<b>Waddell</b> DRC2008-00110	<b>Edwards</b> DRC2008-00148	<b>Judd</b> DRC2009-00056	<b>Rava</b> DRC2010-00086
History	Residential, agricultural	Residential, agricultural	Residential, agricultural	Non-profit events	Residential, agricultural	Agriculture
Access	Local road	Arterial highway	Principal arterial	Arterial road	Collector road	Arterial road
Zoning	Agriculture	Agriculture	Agriculture	Residential Rural	Agriculture	Agriculture
Events	20, annually	12, annually	18, annually	16, annually (plus non-profit events)	20, annually	25, annually
Guests	Up to 100	Up to 150	Up to 200	Up to 200	Up to 150	250 to 1000
Life	5 years	8 years	18 years	20 years	15 years	20 years

Therefore, it appears that the project would require a sunset clause and for this particular site staffs agrees that life of the temporary event program at this site should be authorized in perpetuity.

In this specific case, staff recommends a 15-year time limit on this Minor Use Permit. This period is being considered, due to specific project-site characteristics:

- History – The site has been successfully operating as an olive processing facility since 2000 and a tasting room since 2007, with no code enforcement violations.
- Access – The site is located on a collector road approximately 7 miles from the community of Templeton.
- Zoning – The site is located within the Agriculture land use category. The majority of temporary event requests come in on land designated Agriculture and subject to Agriculture Element policies designed to protect agricultural production.

## PREVIOUS AUTHORIZATIONS

The site currently has an olive processing mill (to process on-site olives) and a tasting room. The olive orchard is over 15 years old and includes a dozen varieties.

A Minor Use Permit (D990187P) authorized the construction of a 1,344 sf olive oil processing facility (for the processing of on-site olives) with a 244 sf covered porch. Retail sales of olive oil were not included as part of the approval.

A Building permit (PMT2004-03307) allowed the construction to build a 1,258 sf addition to the existing olive processing facility.

A Minor Use Permit (DRC2006-00061) authorized the following:

- a. A wine processing and storage facility and a wine and olive oil tasting room to be located in an existing 2,471 square foot olive oil processing and storage facility (3,775 square feet total including a 1,304 square foot outdoor use area).
- b. Special Events consisting of 6 annual events with up to 80 guests.
- c. Special events are limited to 40 days per year.
- d. Amplified music shall only be allowed from 10 a.m. to 5 p.m. No amplified music shall occur before 10 a.m. or after 5 p.m.

The Special Event program was never vested because the required secondary access was never constructed.

### LAND USE ORDINANCE STANDARDS

Ordinance Compliance:

Section 22.30.070.A.2 requires a Minor Use Permit approval where any of the raw materials being processed are not grown on site of the processing facility or on adjacent parcels shall be subject to a Minor Use Permit approval.

The project is subject to Land Use Ordinance section 22.30.070.A.1 and 2, wineries and olive oil production. Section 22.30.070 sets forth standards for development including but not limited to access, setbacks, parking, design, screening, lighting and tasting rooms.

Title 22, Section - 22.30.610 - Temporary Events is an allowable use on Agriculture land subject to the land use permit required by the specific use standards in Section 22.30.610 and is subject to Minor Use Permit approval.

<b>Olive Processing (Section 22.30.070)</b>			
<b><u>Standard</u></b>	<b><u>Required</u></b>	<b><u>Proposed</u></b>	<b><u>In Compliance</u></b>
<b>Permit Required</b>	Minor Use Permit required to process off-site olives	Processing of off-site olives proposed; Minor Use Permit submitted	Yes
<b>Minimum Site Area</b>	5 acres	120 acre	Yes
<b>Parking</b>	None, provide ample space for visitor and employees	Ample space exists	Yes
<b>Setbacks from property lines (PL):</b>	200 feet from property lines	New processing / storage bldg. will be 244 feet from PL; Existing mill-processing bldg. is located 95 feet from PL (authorized by previous Minor Use Permit)	Yes
<b>Setbacks from residences outside of the ownership of the applicant</b>	No closer than 500 feet to existing residence outside of applicant ownership	Greater than 500 feet	Yes
<b>Lighting</b>	Lighting fixtures are required to	None proposed	Yes, as

	be shielded		conditioned
<b>Olive Processing continued</b> (Section 22.30.070)			
<b>Solid waste disposal</b>	Pomace may be used as fertilizer or soil amendment	Pomace will be used and composted on site; project conditioned to meet this requirement	Yes as conditioned
<b>Design Exterior</b>	Wineries shall have an exterior design styles that is agricultural or residential in nature.	Proposed buildings for winery use / olive use have an agricultural design style	Yes
<b>Tasting room and retail sales</b>	Shall be incidental to primary use; on-site tasting rooms subject to Section 22.30.075 (Agricultural Retail Sales – Farm Stands, refer to attached chart)	Tasting incidental to primary use	Yes
<b>Liquid waste disposal</b>	Winery wastewater - standards set through RWQCB  Domestic wastewater - leach lines shall be located at least 100 feet from any private well	Currently the applicant does not have a discharge permit  Applicant will be required to obtain all necessary permits	Yes, as conditioned

<b>Agricultural Retail Sales</b> (Section 22.30.075)			
<b><u>Standard</u></b>	<b><u>Required</u></b>	<b><u>Proposed</u></b>	<b><u>In Compliance</u></b>
<b>Agricultural Retail Sales</b>	Sales area limitation shall be limited to a 500 sf; unless authorized by Minor Use Permit	1,900 sf of sales area	Yes
<b>Agricultural Retail Sales / Setbacks</b>	<ul style="list-style-type: none"> <li>• 50 feet from front setback</li> <li>• 30 feet from side setback</li> <li>• 30 feet from rear setback</li> <li>• no closer than 400 feet to any residence outside of the ownership of the applicant; unless authorized by Minor Use Permit</li> </ul>	<ul style="list-style-type: none"> <li>• Greater than 50 feet</li> <li>• Greater than 30 feet</li> <li>• Greater than 30 feet</li> <li>• 307 feet</li> </ul>	Yes
<b>Parking</b>	1 per 250 sf of structure or outdoor display area; Retail area consists of 1,900 sf; 10	<ul style="list-style-type: none"> <li>• 10</li> </ul>	Yes

	spaces required;		
<b>Wineries</b> (Section 22.30.070)			
<b>Standard</b>	<b>Required</b>	<b>Proposed</b>	<b>In Compliance</b>
<b>Minimum Site Area</b>	20 acres for wineries with special events	The subject property is not requesting winery special events	Yes
<b>Access location</b>	Wineries with tasting room, retail sales, special events located on or within 1 mile of arterial or collector	Winery is located on Vineyard Dr. a collector road.	Yes
<b>Setbacks from property lines (PL):</b>	100 feet required for wine processing buildings  200 feet for Tasting Room	New processing / storage bldg. (bldg. A) is 244 feet from PL; Existing mill-processing bldg. is located 95 feet from PL (authorized by previous Minor Use Permit)  Existing and previously approved existing tasting room building is 95 feet from PL; Phase II temporary tasting room is 159 feet from PL Phase III tasting room will be 365 feet from PL.	Yes
<b>Setbacks from residences outside of the ownership of the applicant</b>	200 feet for wine processing buildings 400 feet for tasting room	Greater than 500 feet  305 feet, modification required; No setback modification required for Phase III – tasting room will be 487 feet from nearest neighbor	Yes  MUP required
<b>Screening</b>	If visible from the public road wineries shall be screened.	Landscape plan submitted	Yes
<b>Lighting</b>	Lighting fixtures are required to be shielded	Project conditioned to meet this requirement	Yes
<b>Solid waste disposal</b>	Pomace may be used as fertilizer or soil amendment	Pomace will be used and composted on site; project conditioned to meet this requirement	Yes
<b>Design Exterior</b>	Wineries shall have an exterior design styles that is agricultural	Proposed buildings for winery use / olive use have an	Yes

	or residential in nature.	agricultural design style	
<b>Wineries continued</b> (Section 22.30.070)			
<b>Tasting room</b>	One tasting room allowed for each winery	No wine tasting occurs on site because no wine is being produced at this time; applicant not requesting (2) wine tasting rooms	Yes
<b>Liquid waste disposal</b>	Winery wastewater - standards set through RWQCB  Domestic wastewater - leach lines shall be located at least 100 feet from any private well	Currently the applicant does not have a discharge permit  Applicant will be required to obtain all necessary permits	Yes, as conditioned

<b>Temporary Events</b> (Section 22.30.610)			
<b><u>Standard</u></b>	<b><u>Required</u></b>	<b><u>Proposed</u></b>	<b><u>In Compliance</u></b>
<b>Temporary Events</b>	Allowable on agricultural land subject to Minor Use Permit	Minor Use Permit submitted	Yes
<b>Time Limits</b>	Events may not occur more than 12 consecutive days;  Events may not occur more than 4 consecutive weekends	25 temporary events with up to 200 people	Yes as conditioned
<b>Located greater than 1,000 feet from land zoned single-family residence</b>	Surrounding property zoned Agricultural	Surrounding property zoned Agricultural	Yes
<b>Access</b>	Provide (2) two 18 feet wide access points	Existing 18 foot wide primary access; proposing 18 to 22 foot wide secondary access; both roads connect to Vineyard Drive	Yes
<b>Parking</b>	400 sf per vehicle;  Located on open areas with slopes of 10 % or less, free of combustible material;  200 person event would	Ample space exists around existing and proposed buildings and driveway areas.	Yes



	require 32,000 sf		
<b>Temporary Events continued</b> (Section 22.30.610)			
<b>Fire Safety</b>	To be provided by CAL FIRE	CAL FIRE has issued Fire Safety Clearance letter	Yes as conditioned
<b>Water and Wastewater</b>	Facilities to be provided as required by Environmental Health	Environmental Health has reviewed; permits may be required	Yes as conditioned

<b>Miscellaneous Ordinance Sections</b>			
<b>Signs</b> (Section 22.60.060)	Maximum of 100 sf of signage; one free standing or monument	(2) 40 sf monument metal plaques fastened to pilasters; (4) 4 sf directional signage markers for a total of 96 sf	Yes
<b>Limitation on Use / Noise</b> (Section 22.10.120)	Hourly Leq, decibels - 50 daytime, 45 nighttime Maximum level, decibels - 70 daytime, 65 nighttime	25 temporary events per year proposed Acoustical Analysis requires mitigation to meet required standards	Yes, as conditioned
<b>Height</b> (Section 22.10.090)	35 feet	Less than 35 feet	Yes

**PLANNING AREA STANDARDS:** The Adelaida sub area standards requires all land use permit applications to provide an exterior lighting plan and that all proposed lighting be shielded. The winery ordinance also requires shielded lighting. Future lighting will be required to follow the ordinance and planning area standard requirements.

**COMMUNITY ADVISORY GROUP COMMENTS:** Templeton Area Advisory Group supported the request on January 16, 2014. The group's areas of concern include up-lighting of signs and trees and tree removal. Conditions have been included to address these concerns.

**AGENCY REVIEW:**

Public Works – Stock conditions have been applied to project per referral response dated March 14, 2014; Revised referral response dated March 24, 2014 attached (Referral Response dated November 8, 2014 was in the file and was mistakenly attached to the Mitigated Negative Declaration);

CAL FIRE – See attached Fire Safety letter dated August 26, 2014, secondary access required for events; fire sprinklers required;

Ag Commissioner- Overflow parking should be located at least 100 feet from the southern property line;

RWQCB – No comments submitted; Approval of discharge from RWQCB will be necessary;

Environmental Health – An annual permit may be required for the water supply at this facility;

Building Division – Verify that all existing structures have legally approved permits; fire sprinklers may be required regardless of what fire jurisdiction may waive.

LEGAL LOT STATUS: The lot was legally created by a recorded map at a time when that was a legal method of creating lots.

Staff report prepared by Holly Phipps and reviewed by Karen Nall.